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SUBJECT: PERSONNEL CHANGES AFOOT AT MINISTRY OF TRADE

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¶1. (SBU) Summary: The Prime Minister promoted two Ministry of Trade (MOT) officials to replace two of the four recently retired Vice Ministers on June 6. Vice Minister Nguyen Cam Tu, the former Director General of MOT's Americas Department, will be responsible for trade policy with the Americas. Vice Minister Nguyen Thanh Bien, MOT's former Chief of Staff, will be responsible for import and export policies as well as trade with the Asian and Pacific markets. With a strong academic background and significant business experience, Tu is a solid choice for the position and, in the short-term at least, is unlikely to make major policy shifts in bilateral trade policy. Trade Minister Tuyen has been absent from the public spotlight recently due to health problems, although a recent newspaper interview suggest that he is feeling better. In any event, Tuyen is expected to retire later this summer. The July Communist Party Plenum's decision on whether to merge the Ministries of Trade and Industry will influence the Prime Minister's decisions on who will replace Tuyen and the two remaining vacant Vice Minister positions. End summary.

NEW TRADE VICE MINISTERS

¶2. (U) On June 6, Prime Minister Nguyen Tan Dzung signed a decision to promote Director General of the Ministry of Trade's (MOT) Americas Department Mr. Nguyen Cam Tu to Vice Trade Minister. The decision came just days before Tu traveled to the United States with President Triet in place of Trade Minister Truong Dinh Tuyen, who is reportedly having health problems. While in the United States, the new Vice Minister signed the Trade and Investment Framework Agreement (TIFA) on June 21 on behalf of the Government of Vietnam (GVN). Reliable contacts within the Ministry informed the Embassy that VM Tu has been charged with responsibility for activities and policies relating to trade with the American markets as well as domestic trade issues.

¶3. (U) The Prime Minister also promoted MOT's former Chief of Staff, Nguyen Thanh Bien, to Vice Minister in the same decision. Vice Minister Bien will be responsible for import and export policies as well as trade with the Asian and Pacific markets. Vice Ministers Bien and Tu are stepping in to fill two of the four Vice Minister slots vacated within the past month due to the retirements of VM Phan The Rue, VM Tran Duc Minh, VM Do Nhu Dinh and VM Luong Van Tu, who served as the senior interlocutor on World Trade Organization (WTO) negotiations with the United States and often chaired the Vietnamese delegation in recent U.S.-Vietnam Bilateral Trade Agreement (BTA) talks.

¶ 4. (SBU) While the June 6 Prime Minister's decision made these personnel moves official, sources within MOT told us that the internal ministry decision was made earlier this year in a vote among the then-sitting five Vice Ministers. One surprising outcome from this internal vote is that Director General of MOT's Multilateral Trade Policy Department Tran Quoc Khanh was not chosen for one of the VM spots. A number of officials within the ministry and in other GVN agencies told us they were taken aback by this result, as many considered him a very strong candidate given his critical role in Vietnam's WTO negotiations. An official familiar with the situation in MOT speculated that Khanh's "personality conflict" with his former boss and one of the five voters, VM Luong Van Tu, may explain his failure to secure one of the open spots.

VICE MINISTER TU

¶ 5. (SBU) Born in 1956 in the north-central province of Nghe An, Mr. Tu is the son of former Deputy Prime Minister and Foreign Minister Nguyen Manh Cam. An MOT source confided to the ECON Section that there is a rumor within the ministry that Tu's promotion is a pay-back of gratitude by Trade Minister Tuyen to former DPM Cam. In February of 2000 (after agreeing in principle to the terms of the BTA), then-Minister of Trade Tuyen was sent to Nghe An Province as Party Secretary. In 2002, it was then-DPM Cam, a Politburo member and senior GVN official responsible for foreign affairs, who pushed to bring Tuyen back as Trade Minister. The following year, Nguyen Cam Tu came to MOT as Director General of the Americas Department from his position as Director of the MOT-owned Intimex Company, one of Vietnam's leading agricultural export companies. According to the same MOT source, even in 2003, many believed that the DG position was only a stepping stone to a more senior role within the ministry.

HANOI 00001224 002 OF 002

¶ 6. (SBU) In addition to his family connections, Tu brings to the position a strong academic background in economics and management and significant business experience. He holds two Masters Degrees - a Master of Arts in Economics and Foreign Trade from the Foreign Trade Academy in Moscow (during the Soviet times) and a Master of Arts in Management from the Kellogg Graduate School of Management at Northwestern University. The new Vice Minister has spent his entire working career at the Ministry of Trade or MOT-owned companies. The one knock against him, according to GVN sources, is that despite serving for nearly four years in the DG position, he has not been overly engaged on detailed trade issues and lacks extensive policy making experience.

¶ 7. (SBU) Comment: Post assesses that Vice Minister Tu is a solid choice as Vice Minister, and MOT officials close to Tu inform us that for the time being, he can be expected to "stay the course" on our bilateral relations. Despite serving as Director General of MOT's Trade Department since 2003, the Embassy has had limited interaction with him. He has almost exclusively delegated meeting requests from the Embassy and visiting USG officials to one of his two deputies - Nguyen Hong Dzuong (the USG's primary interlocutor on TIFA negotiations) and Dr. Nguyen Van Binh. He has also failed to attend any of the numerous Embassy functions to which he has been invited. In recent months, this can in part be explained by his attendance at a mandatory political course at the Ho Chi Minh Academy. He has also reportedly had some recent health problems including eye surgery and high blood pressure. In our limited contacts, however, he has demonstrated an easy-going demeanor, and his colleagues describe him as relatively mild-mannered and cautious to not "break too many eggs." End comment.

Minister Tuyen's Health

¶ 8. (SBU) In recent months, reported health problems have kept Trade Minister Tuyen from the public spotlight. He sent new Vice Minister Tu to accompany President Triet during his June visit to the United States and to the July 3-4 APEC Minister Responsible for Trade (MRT) Meeting in Cairns, Australia. A contact in MOT's Multilateral Trade

Department informed EconOff that his health problems are due to a recent stroke that the Minister suffered. On July 4, a senior MOT official informed EconCounselor that the Minister is now doing fine, but he is busy tending to his ailing mother. Thanh Nien Newspaper published an interview with Minister Tuyen on July 6 (in which he comments on prospects for a Japan-Vietnam Free Trade Agreement), perhaps corroborating the story that the Minister is once again feeling better. In any case, Minister Tuyen is expected to retire later this summer.

Future of the Ministry

¶9. (SBU) Decisions on who will replace Minister Tuyen and fill the two open Vice Minister slots are pending the outcome of the upcoming July Communist Party Plenum, at which it will be decided whether MOT will merge with the Ministry of Industry (a rumor widely reported in local press). Our contacts in MOT largely expect that the decision will favor a merger. We understand that one of the outstanding issues is whether the MOI's Department of Energy will become an independent organization, which if this happens, would clear the way for a merger between the two ministries. Several MOT officials speculated that if the merger moves forward, current Minister of Industry Hoang Trung Hai would stay on as minister of the newly-merged ministry.

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